

HARFORD COUNTY, MARYLAND
REPORT ON SINGLE AUDIT
YEAR ENDED JUNE 30, 2022



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Members of the County Council
Harford County, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 5, 2022. Our report includes a reference to other auditors who audited the financial statements of Harford County Public Library and the Harford Center, Inc., as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters for Harford County Public Schools and Harford Community College as we have issued separate reports for Harford County Public Schools and Harford Community College. The financial statements of the Harford Center, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Harford Center, Inc.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
October 5, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, AND ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Members of the County Council
Harford County, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Harford County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

The County's basic financial statements include the operations of Harford County Public Schools, Harford Community College, Harford County Public Library, and the Harford Center, Inc., discretely presented component units. Federal awards expended by these discretely presented component units are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2022. Our audit, described below, did not include the operations of these discretely presented component units because these discretely presented component units engaged other auditors to perform an audit of compliance.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

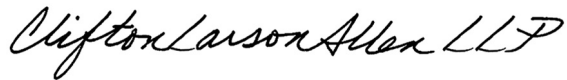
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information of the County, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated October 5, 2022, which contained unmodified opinions on those financial statements.

Honorable Members of the County Council
Harford County, Maryland

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Baltimore, Maryland
December 15, 2022

**HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through/ Grantor Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Commerce					
Coastal Zone Management Estuarine Research Reserves	11.420	Maryland Department of Natural Resources	14-21-2864 CBR 197, 14-22-2992 CBR 128	\$ 51,959	\$ -
Department of Housing and Urban Development					
Housing Counseling Assistance Program	14.169	NA	FR-63000-N-33	30,755	-
Community Development Block Grants/Entitlement Grants Cluster	14.218	NA	B-19-UC-24-0013, B-16-UC-24-0013, B17UC240013, B-19-UC-24-0013, B17UC240013	1,349,292	-
Home Investment Partnerships Program	14.239	NA	M19-UC240202, M16-UC240202, M17UC240202, B6 8/1 0205	170,209	-
Housing Opportunities for Persons with AIDS	14.241	NA	4000-490821-3573-763206-603051	116,288	-
Federal Voucher Cluster					
Section 8 Housing Choice Vouchers	14.871	NA	MD025	9,406,960	-
Mainstream Vouchers	14.879	NA	MD025	553,210	-
		Cluster total		<u>9,960,170</u>	<u>-</u>
Family Self-Sufficiency Program	14.896	NA	FSS22MD4725-01-00, FSS21MD4115	30,905	-
COVID-19 HCV-CARES ACT Administrative Fees	14.HCC	NA	MD025	333,319	-
COVID-19 - Mainstream-CARES ACT HAP & Admin Fees	14.MSC	NA	MD025	26,322	-
Department of Justice					
Crime Victim Assistance	16.575	Governor's Office of Crime Control & Prevention	15POVC-21-GG-00630-, 2019-V2-GX- 0064	75,768	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	NA	15PBJA-21-GG-01553-JAGX	26,389	-
Equitable Sharing Program	16.922	NA	NA	130,709	-
Department of Labor					
WIOA Cluster					
WIOA Adult Program	17.258	Maryland Department of Labor	P-16-SWN-FY21-A, P26-SQ-PY21-A	\$ 245,553	\$ 245,553
WIOA Youth Activities	17.259	Maryland Department of Labor	P06-SQ-PY19-Y, P16-SQ-PY20-Y	240,488	240,488
WIOA Dislocated Worker Formula Grants	17.278	Maryland Department of Labor	P-16-SWN-FY21-D, P26-SQ-PY21-D	342,207	342,207
		Cluster total		<u>828,248</u>	<u>828,248</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Federal Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through/ Grantor Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Transportation					
Highway Planning and Construction Cluster	20.205	Maryland Department of Transportation State Highway Administration	BCS 2014-OH, HA395ZM1, HA395CM1, HA398ZM1, HA415ZM1, HA415M21, HA415ZM2, HA410M21 HA410ZM2, HA443M21, HA994B21, HA082B21, HA321B52	3,366,152	-
Motor Carrier Safety Assistance	20.218	Maryland Department of Transportation State Highway Administration	HCSO-MCSAP-2202-01,HCSO-MHSO-CMV-2021-04	19,767	-
Federal Transit Cluster					
COVID-19 Formula Grants	20.507	Maryland Transportation Authority	HA01CARES2020	4,405,138	-
Formula Grants	20.507	Maryland Transportation Authority	HA01530702018, HA01530702021 , HAO15307C2019, HAO15307C2018,	1,193,790	-
		Cluster total		<u>5,598,928</u>	<u>-</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Baltimore Metropolitan Council	FY2021UPWP	31,200	-
State and Community Highway Safety - Highway Safety Cluster	20.600	Maryland Department of Transportation Motor Vehicle Administration	FA 402, FA 405d AL	34,517	-
National Priority Safety Programs	20.616	State of MD Vehicle Theft Prevention Council	FA 405d AL	33,441	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	Maryland Emergency Management Agency	693JK31940020HMEP	2,603	-
Department of the Treasury					
Equitable Sharing	21.000	NA	NA	9,844	-
Department of the Treasury					
COVID-19 - Emergency Rental Assistance Program	21.023	NA	20-0150-0-1-806	4,500,000	4,500,000
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	NA	SLFRP0316	20,728,056	3,172,734

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Federal Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through/ Grantor Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	Maryland Department of Aging	650618/11, 2101MDPHC6-00	\$ 27,571	\$ -
Special Programs for the Aging Cluster					
COVID-19 Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Maryland Department of Aging	2001OMC3, 655221/11, 2101MDSSC6-00	87,858	-
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Maryland Department of Aging	655221/11, 650718, 112001OMC3,	288,301	-
COVID-19 - VII CARES Act FY20	93.044	Maryland Department of Aging	2001OMC3	3,374	-
		Title III, Part B, Grants for Supportive Services and Senior Centers total		379,533	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Maryland Department of Aging	655121/11	521,844	-
COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Maryland Department of Aging	2101MDCMC6-00	24,141	-
		Special Programs for the Aging, Title III, Part C, Nutrition Services total		545,985	-
		Cluster total		925,518	-
Special Programs for the Aging, Title IV and Title II, Discretionary Projects	93.048	Maryland Department of Aging	90MPPG0001-04-00	8,138	-
National Family Caregiver Support, Title III, Part E	93.052	Maryland Department of Aging	75-0142-0-1-506,	75,903	-
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	Maryland Department of Aging	2101MDFCC6-00	31,078	-
		National Family Caregiver Support, Title III, Part E total		106,981	-
Medicare Enrollment Assistance Program	93.071	Maryland Department of Aging	APD-20-22-CCS-MIPPA Grant GY 2020-2021	9,973	-
State Health Insurance Assistance Program	93.324	Maryland Department of Aging	APD-21-01-CCS	21,840	-
Child Support Enforcement	93.563	Maryland Department of Human Services	CSEA/CRA-21-046, CSA/CRA/22-046	388,618	-
Children's Justice Grants to States	93.643	Governor's Office of Crime Control & Prevention	2002MDCJA1, 2102MDCJA1	40,009	-
Medicaid Cluster - Medical Assistance Program	93.778	Maryland Department of Aging	75-0142-01-506,	26,666	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Maryland Department of Health	TI010024	328,760	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Federal Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through/ Grantor Number	Total Federal Expenditures	Passed Through to Subrecipients
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001	NA	G21WB0004A	\$ 15,739	\$ -
Department of Homeland Security					
Emergency Management Performance Grants	97.042	Maryland Emergency Management Agency	EMP-2020-EP-00002-S01, EMP-2021-EP-00003-S01	202,149	-
Homeland Security Grant Program	97.067	Maryland Emergency Management Agency	EMW-2019-SS-00054UASI, EMW-2019-SS-00064SHSP, EMW-2020-SS-00010-UASI, EMW-2020-SS-00010-SHSP, EMW-2018-SS-00023SHSP, EMW-2018-SS-00023-UASI	507,341	-
Total Federal Awards Expended				<u>\$ 50,064,144</u>	<u>\$ 8,500,982</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Harford County, Maryland (the County) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COSTS

The County did not elect to use the 10% de minimis cost rate for indirect costs.

NOTE 4 LOAN PROGRAM

The County has a loan program to provide low-interest loans to businesses for housing for low to moderate income persons. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County. The Schedule reports loans made and administrative costs as disbursements on the Schedule, as management has determined that the loans do not have continuing compliance requirements.

**HARFORD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported

3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

ALN Number(s)

21.023
20.500/20.507
20.205
21.027

Name of Federal Program or Cluster

COVID-19 - Emergency Rental Assistance
Federal Transit Cluster
Highway Planning and Construction Cluster
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,501,924

Auditee qualified as low-risk auditee?

 x yes _____ no

**HARFORD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2022**

Section II – Financial Statement Findings

None noted.

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 001

Federal agency: U.S. Department of Treasury

Federal program title: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Award Period: March 3, 2021 – December 31, 2024, liquidated by December 31, 2026

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

Criteria or specific requirement: Recipients may use CSLFRF payments for any eligible expenses subject to the restrictions set forth in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 (codified as 42 USC 802 and 42 USC 803 respectively).

Recipients may use payments from CSLFRF to:

- Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- Replace lost public sector revenue to provide government services; recipients may use this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
- Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Under the Final Rule, recipients can elect a one-time “standard allowance” of \$10 million (not to exceed the recipient’s award amount) to spend on the “provision of government services” during the period of performance. Alternatively, recipients can calculate lost revenue based on the formula provided in the Final Rule to determine the limit for the amount of CSLFRF funds that can be used for the “provision of government services.” Recipients should provide auditors with evidence that they meet the requirements to elect the standard allowance or provide auditors with evidence supporting their revenue loss calculation.

Questioned Costs: \$2,260

**HARFORD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition/Context: One out of sixty expenditures tested was not for an allowable activity.

Cause: The County did not have sufficient internal controls in place to adequately review allowable activity and costs being charged to the grant.

Effect: The County charged a non-allowable activity/cost to the grant.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County strengthen and enforce its internal controls to ensure only allowable expenditures are charged to the grant.

Views of responsible officials: Management agrees with the finding.



U.S. Department of Treasury

Harford County, Maryland respectfully submits the following corrective action plan for the year ended June 30, 2022.

Audit period: July 1, 2021 through June 30, 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement audit findings in the current year.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Treasury

2022-001 Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing No. 21.027

Recommendation: We recommend the County strengthen and enforce its internal controls to ensure only allowable expenditures are charged to the grant.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The unallowed expenditure was moved out of the ARPA grant. The expenditure is being paid by County funds. All ARPA expenditures since July 1, 2022 (FY2023) have been reviewed to ensure they are allowable expenditures. Any expenditures that were not in compliance were moved from the grant to be paid by County funds.

Name(s) of the contact person(s) responsible for corrective action: Robert Sandlass

Planned completion date for corrective action plan: 11/30/22

If the U.S. Department of Treasury (Treasury) Office of Inspector General (OIG) has questions regarding this plan, please call Robert Sandlass at 410-638-3314.



U.S. Department of Treasury

Harford County, Maryland respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

Audit period: July 1, 2021 through June 30, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2021 – 001 Finding Title

Condition: One out of nine reimbursement-based beneficiaries tested was overpaid by \$4,713.46 due to an error made in calculating the total reimbursement due by the County.

Status: The internal control was updated to require all invoices that have manual calculations to be reviewed and recalculated by the accounts payable clerk who is processing the payment.

The County requested and received the overpayment of \$4,713.46 from the vendor in Fiscal Year 2022.

If the U.S. Department of Treasury has questions regarding this schedule, please call Robert Sandlass at 410-638-3314.